

CHAPTER 498

(Senate Bill 556)

AN ACT concerning

Motor Vehicle Manufacturers, Distributors, and Factory Branches – Payments to Dealers – Chargebacks

FOR the purpose of requiring a motor vehicle manufacturer, distributor, or factory branch to compensate a motor vehicle dealer for certain services; requiring the payment of the compensation to be made within a certain time; ~~prohibiting~~ permitting the chargeback of certain claims to a motor vehicle dealer by a manufacturer, distributor, or factory branch ~~except~~ under certain circumstances; specifying certain time restrictions for the issuance of chargebacks from a motor vehicle manufacturer, distributor, or a factory branch to a motor vehicle dealer; ~~providing that manufacturers, distributors, and factory branches have the responsibility of showing that a dealer's claim is intentionally false or fraudulent for certain purposes;~~ and generally relating to payments and chargebacks between motor vehicle manufacturers, distributors, and factory branches and motor vehicle dealers.

BY repealing and reenacting, with amendments,

Article – Transportation

Section 15-212(c)

Annotated Code of Maryland

(1992 Replacement Volume and 1993 Supplement)

BY adding to

Article – Transportation

Section 15-212.1

Annotated Code of Maryland

(1992 Replacement Volume and 1993 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – Transportation

15-212.

(c) (1) The following factors, as they exist in the city or community in which the dealer is doing business, shall be included among those considered in determining under subsection (b)(3) of this section whether a dealer has been reasonably compensated:

- (i) The compensation being paid by other licensees to their dealers;
- (ii) The prevailing wage rate being paid by these dealers; and
- (iii) The prevailing labor rate being charged by these dealers.